

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Application of University of Vermont)	
Medical Center, Replacement of)	
Electronic Health Record)	
_____)	GMCB-001-17con

CERTIFICATE OF NEED

In accordance with Title 18, Chapter 221, Subchapter 5, other applicable laws and the Statement of Decision and Order in this matter, the Green Mountain Care Board issues this certificate of need (CON) to the University of Vermont Medical Center (UVMHC, or the applicant), subject to the conditions set forth below.

Project Description and Scope

The applicant plans to replace the electronic health record (EHR) and related health information technology systems at four UVM Health Network hospitals with a unified EHR platform it will purchase from Epic Systems Corporation (Epic). The total cost of ownership of the project is approximately \$151.7 million over a six-year period.

The project is outlined in greater detail in the Statement of Decision and Order in this docket, incorporated herein and issued today by the Board.

Project Conditions

The project as proposed, subject to the following conditions, meets the statutory criteria set forth in 18 V.S.A. § 9437:

1. The applicant shall develop and operate the project in strict compliance with its scope as described in the application, in other materials in the record submitted by the applicant, and in strict conformance with the Statement of Decision and Order issued today in this docket. This certificate of need is limited to the project and activities described therein.
2. Throughout the project's implementation period as set forth in Condition 11, below, the applicant shall comply with all financial growth caps, targets and other conditions imposed by the Board in its hospital budget instructions, guidance and orders.
3. The applicant shall not increase its commercial rates to fund any expenses related to project costs, including, but not limited to, project cost overruns.
4. The applicant shall protect the confidentiality, integrity, and availability of protected health information by instituting and maintaining policies and procedures that comply, at a minimum, with the Health Insurance Portability and Accountability Act of 1996

(HIPAA), and which require adherence to best practices for safeguarding confidential medical information.

5. The applicant shall engage in a collaborative process with independent medical professionals, providers, practices and federally qualified health centers to work towards improving patient medical record communications between UVM Health Network and non-Network providers.
6. The applicant shall pursue negotiations with Epic to attain subscription pricing for non-Network providers, practices and federally qualified health centers that wish to connect to the applicant's Epic platform, that is based on volumes and practice size and is consistent with other Epic implementations and industry standards.
7. The applicant shall incorporate within the Epic system, and make available to system users, appropriate decisional tools (*Choosing Wisely*, for example) that advance recommended care protocols and best practices which can improve patient care, care coordination, health outcomes and reduce the incidence of wasteful, harmful, and unnecessary provision of care.
8. The use of the approximately \$17.8 million set aside by the applicant for contingencies is restricted to cover unanticipated increases in project costs, and may not be used to enlarge the scope of the project.
9. Consistent with its representations in the application and at hearing, the applicant shall not make any incentive payments or pay bonuses in connection with the project to any UVMHC or UVM Health Network employee.
10. Noncompliance with any provision of this certificate of need or with applicable ordinances, rules, laws and regulations constitutes a violation of this certificate of need and may be cause for enforcement action pursuant to 18 V.S.A. §§ 9445, 9374(i), (j), and any other applicable law.
11. The project shall be fully implemented within seven (7) years of the date of issuance of this certificate of need.
12. The applicant shall file implementation reports with the Board beginning six months from the date of this certificate of need and at six-month intervals thereafter until all components and phases of the project are complete and fully operational and all invoices have been paid. The implementation reports shall include the following:
 - a. Overview of the project, including information and analysis demonstrating that the project fully complies with its scope as described in the application, in other materials in the record submitted by the applicant, and in the Statement of Decision and Order issued today in this docket;
 - b. The subscription costs incurred by each of the hospitals and practices that will access the Epic system pursuant to this certificate of need, the corresponding

- usage (volume) on which such costs are based, and confirmation that the allocation among the hospitals and practices is proportional and equitable;
- c. A description of decisional tools included with and/or built into the Epic system, as described in Condition 7, above, and supporting data and/or measures indicating whether use of such tools has improved patient care, care coordination and outcomes, and reduced the provision of wasteful, harmful or unnecessary medical services;
 - d. Supporting data and/or measures indicating the impact of the project on provider administrative burden;
 - e. A narrative detailing all meetings held, and progress made, regarding improvements in medical records communications as described in Condition 5, above;
 - f. A narrative detailing progress made in negotiations with Epic regarding subscription pricing, as described in Condition 6, above;
 - g. A spreadsheet listing each individual line item expenditure, and for each expenditure: 1) the total amount approved by the Board; 2) the dollar amount spent on the line item during the reporting period; 3) the cumulative dollar amount spent on the line item to date; 4) the amount remaining in dollars, and 5) the amount remaining as a percentage;
 - h. A narrative explaining any allocations from contingency funds to project line items; and
 - i. An updated multi-year projection by line item, by year, including a cumulative total column and an original budget column.
13. This certificate of need is not transferable or assignable and is issued only for the premises and entity named in the application.
14. If the applicant contemplates or becomes aware of a nonmaterial change, as defined in 18 V.S.A. § 9432(12), or a material change as defined in 18 V.S.A. § 9432(11), to the scope or cost of the project described in its application and as designated in this certificate of need, the applicant shall file a notice of such change immediately with the Board. The Board shall thereafter advise the applicant whether the proposed change is subject to additional review.
15. The Board may, after the applicant is provided notice and an opportunity to be heard, make such further orders as are necessary or desirable to accomplish the purposes of this certificate of need and to ensure compliance with its terms and conditions.
16. All reports, notices, forms, information or submissions of any kind required to be submitted to the Board as a condition of this certificate of need shall be signed by the applicant's chief executive officer and verified by the chief executive officer, or by his or her designated representative.
17. The conditions and requirements contained in this certificate of need shall remain in effect for the duration of the reporting period set forth in Condition 12, above.

SO ORDERED.

Dated: January 5, 2018 at Montpelier, Vermont.

s/ Kevin Mullin, Chair)
) GREEN MOUNTAIN
s/ Jessica Holmes) CARE BOARD
) OF VERMONT
s/ Robin Lunge)
)
s/ Maureen Usifer)*

**Board member Tom Pelham did not participate in this decision.*

Attest: /s/ Erin Collier
Green Mountain Care Board